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Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

Next 13 Page(s) In Document Exempt

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

TALKING POINTS FOR DCI CONFERENCE, 15 MARCH, WITH THE
DIRECTOR, INR/STATE

Basis for the "Saunders" positions in the following comments is his letter of 1 March 1976 to Mr. Bush, responding to the DCI invitation to USIB principals to submit comments about the future of USIB and its committees.

<u>TOPIC</u>	<u>SAUNDERS</u>	<u>SUGGESTED COMMENT</u>
USIB	Strongly for follow-on Would call it "Intelligence Community Board"	Comments from all of the USIB principals support continuation of USIB. Only Saunders proposed a specific new title.
		National Foreign Intelligence Board title suggested by ICS.
	Continue present USIB functions but involve Board in estimates process much earlier (approve subjects, identify the key questions, consider issues before final drafting)	This would make USIB follow-on a super Board of National Estimates.
		Only other USIB principal to suggest change in present USIB role re production was Gen. Keegan, who proposed NIOs be directly subordinate to USIB.
		DCI has not yet decided upon organizational arrangement for national intelligence production. Saunders' idea is interesting.

USIB COMMITTEES

SIGINT	Continue, with full-time chairmen, reduced sub-commi-	All USIB principals favor continuation of committees.
COMIREX	ittee structure, and enhanced professional staffs	Planning includes full-time chairmen for these committees.
Human Resources		ICS is proposing they be members of IC Staff.

TOPIC

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

SAUNDERSSUGGESTED COMMENT

	Proposes new committee of chairmen of these collection committees, headed by D/DCI/IC "to ensure better coordination"	An interesting idea.
Critical Collection Problems Comm.	Eliminate	Planning for reorganized ICS could accommodate this within the IC Staff arrangement.
Technical Committees		CIA also has proposed elimination. Seems like a good idea. Dropping CCPC is being considered in planning now underway.
WSSIC JAEIC STIC	"Invaluable" to State. Must continue, can assess collection systems	No question as to their continuation. They have strong support throughout the community.
Warning	Needs committee-style attention.	Since Watch Committee was abolished, "Big-W" warning (attack on US) a function of Special Assistant to DCI (Gen. Fauser) and his warning staff at DIA; "Small-W warning" (crises not posing direct threat to US) a function of current intelligence offices.
		How best to handle warning is one of considerations in on-going review of production organization for national production.
Economic Intel. Committee	Not mentioned	EIC has been considered of importance to State. Might ask how State views role and importance of EIC

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<u>TOPIC</u>	<u>SAUNDERS</u>	<u>SUGGESTED COMMENT</u>
NIOs	"Inestimable value" in giving "outsiders" one place in CIA to relate to and cut across compartmented organization	Treasury also proposes NIOs be strengthened. Careful consideration being given to role and organizational position of NIOs in ongoing review to determine how best to handle national intelligence production mission of DCI

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

8

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

25X1

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

Next 4 Page(s) In Document Exempt

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

The creation of a second deputy makes it necessary to re-arrange the various elements below so they match up vertically in some workable way. But it makes no sense to work on the bottom layers until the top ones are settled.

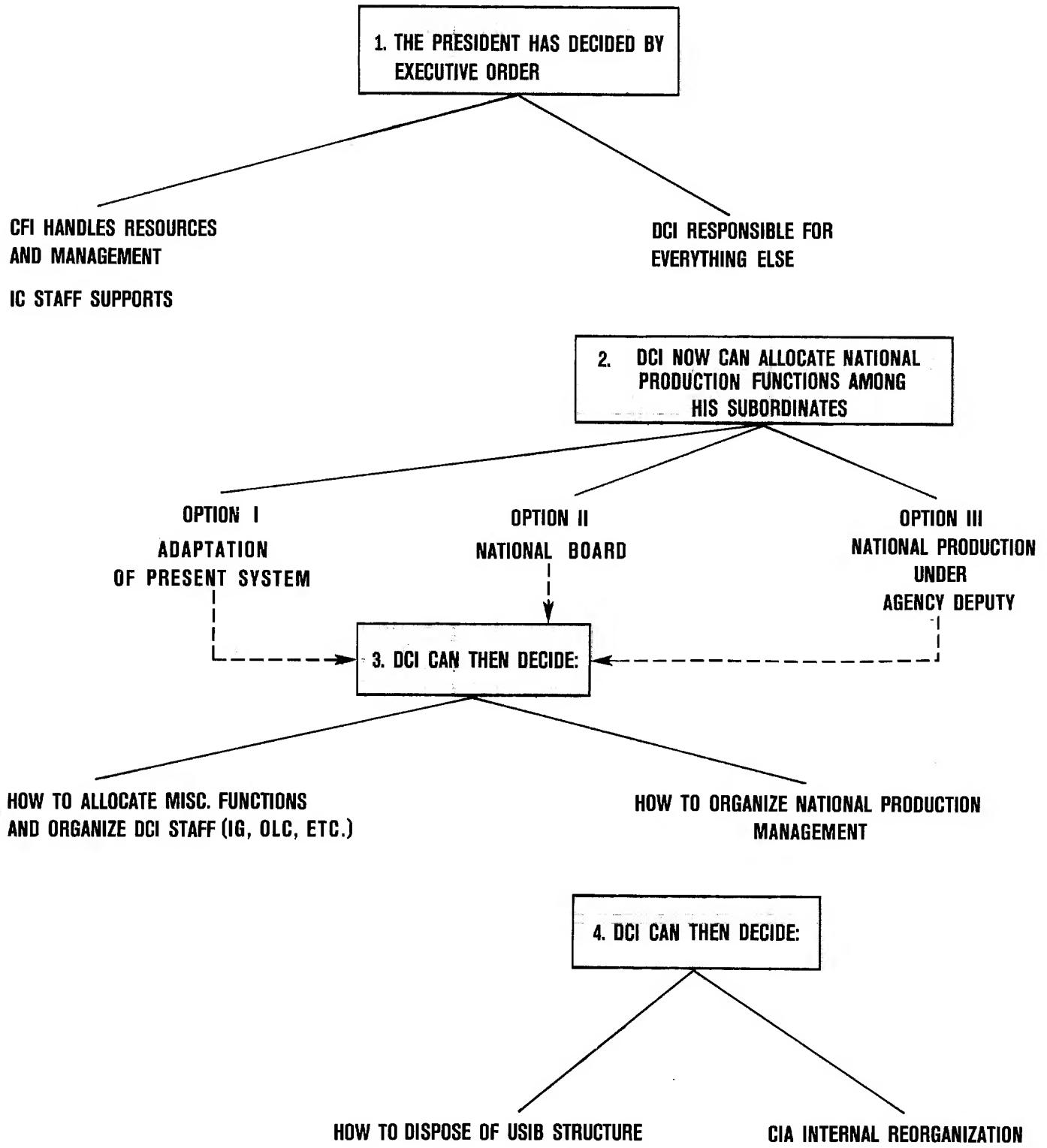
DCI

REPORTS TO THE DCI THROUGH	COMM. DEPUTY	SP STAFF OGC, OLC, ETC	AGENCY DEPUTY									
FUNCTIONS	CFI FUNCTIONS	OTHER DCI FUNCTIONS	NAT'L PROD FUNCTIONS OTHER AGENCY FUNCTIONS									
COMMITTEES	CFI	DCI COMMITTEES?	USIB									
ORGANIZATIONS	IC STAFF	DCI STAFF	NIO's AGENCY									
USIB SUB-COMMITTEES	COMI REX	SIG COM	HRC	IHC	COM EX	DEF COM	SEC COM	JAEC	EIC	WSSIC	STIC	SMG

The recommended approach is to allocate the national production function. Then the rest, in particular those DCI responsibilities that lie between the two deputies, will begin to fall into place.

THE DECISION SEQUENCE

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Location of the National Production Function

- The decision to be taken now is only on location, not how the system is to work (NIOs, Board of Estimates, etc.). No weight should therefore be given to the words (NIO, etc.) in the production box.

- However, a decision on location does have organizational consequences at lower levels, and these must be considered in making it.

- To this end, the Option charts show some of the logical consequences. These are illustrative, however, and certain features of one could be adapted to another.

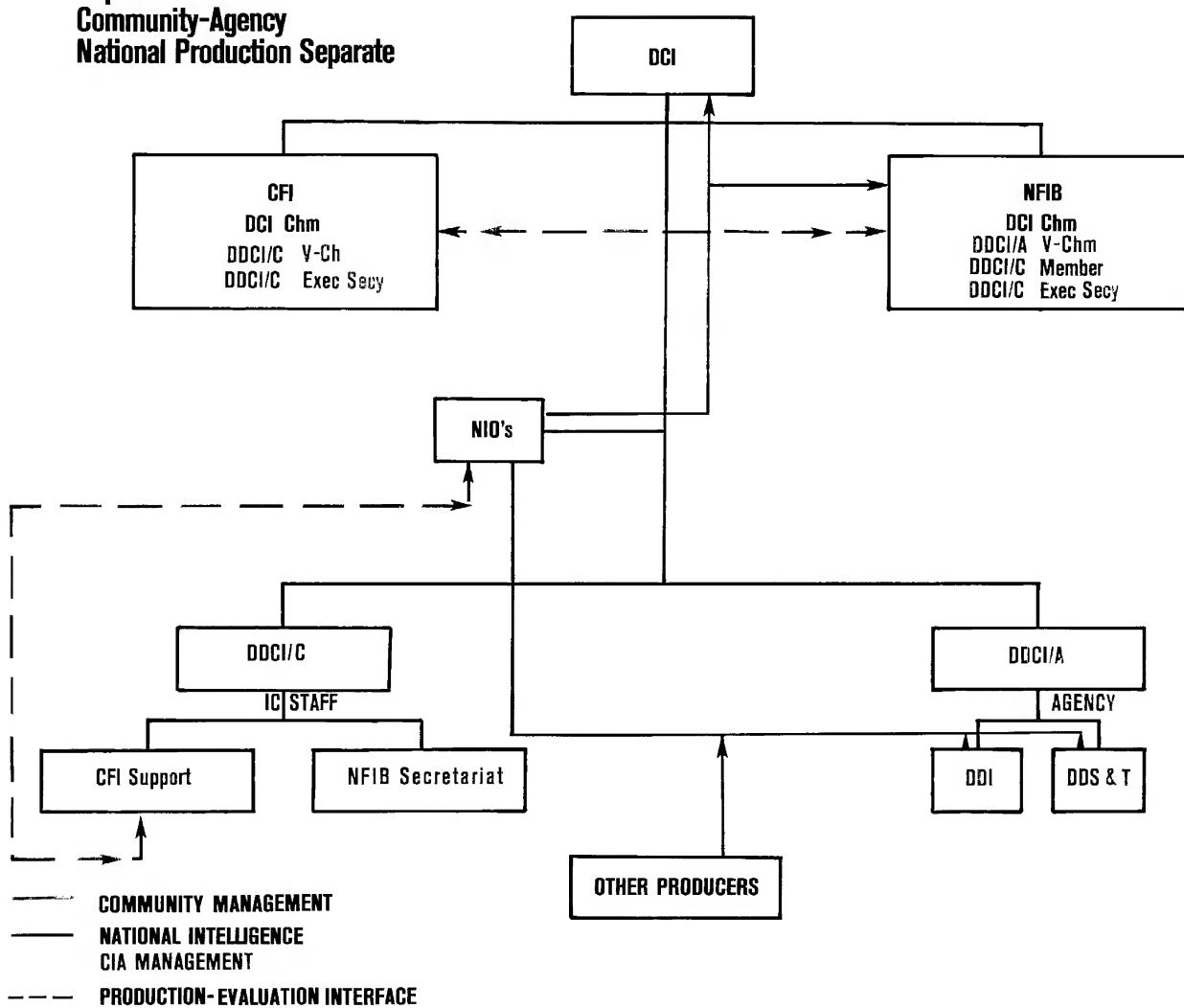
- Organizational elements not relevant to this problem are not shown. No attempt is made to show the organization of the IC Staff. The boxes represent generalized functions only. One major question is the USIB Committees; it is quite possible to visualize the production Committees (EIC, etc.) hanging on NFIB, and the collection Committees (COMIREX, etc) hanging on CFI, but it is premature to face this question. The "NFIB Secretariat" function therefore remains to be defined.

- None of these Options preclude some sort of personal substantive staff for the DCI.

Option I

- Sets up Community Deputy as responsible for all Community matters except production
- Creates National Foreign Intelligence Board, advisory to DCI, with Agency Deputy as Vice-Chairman. Community Deputy is responsible for support of NFIB and its Committees
- Makes Community Deputy a member of NFIB
- Continues NIOs in their present role

OPTION I
Deputies Divided
Community-Agency
National Production Separate



Option I

PRO's

- National intelligence given strong emphasis
- DCI's Community role clearly defined
- DCI has close access to substance

CON's

- NIOs must rely on, and will be viewed as, an element of CIA
- The affairs of all three subordinates of the DCI are entangled
- Disruption of CIA chain-of-command
- Some downgrading of CIA

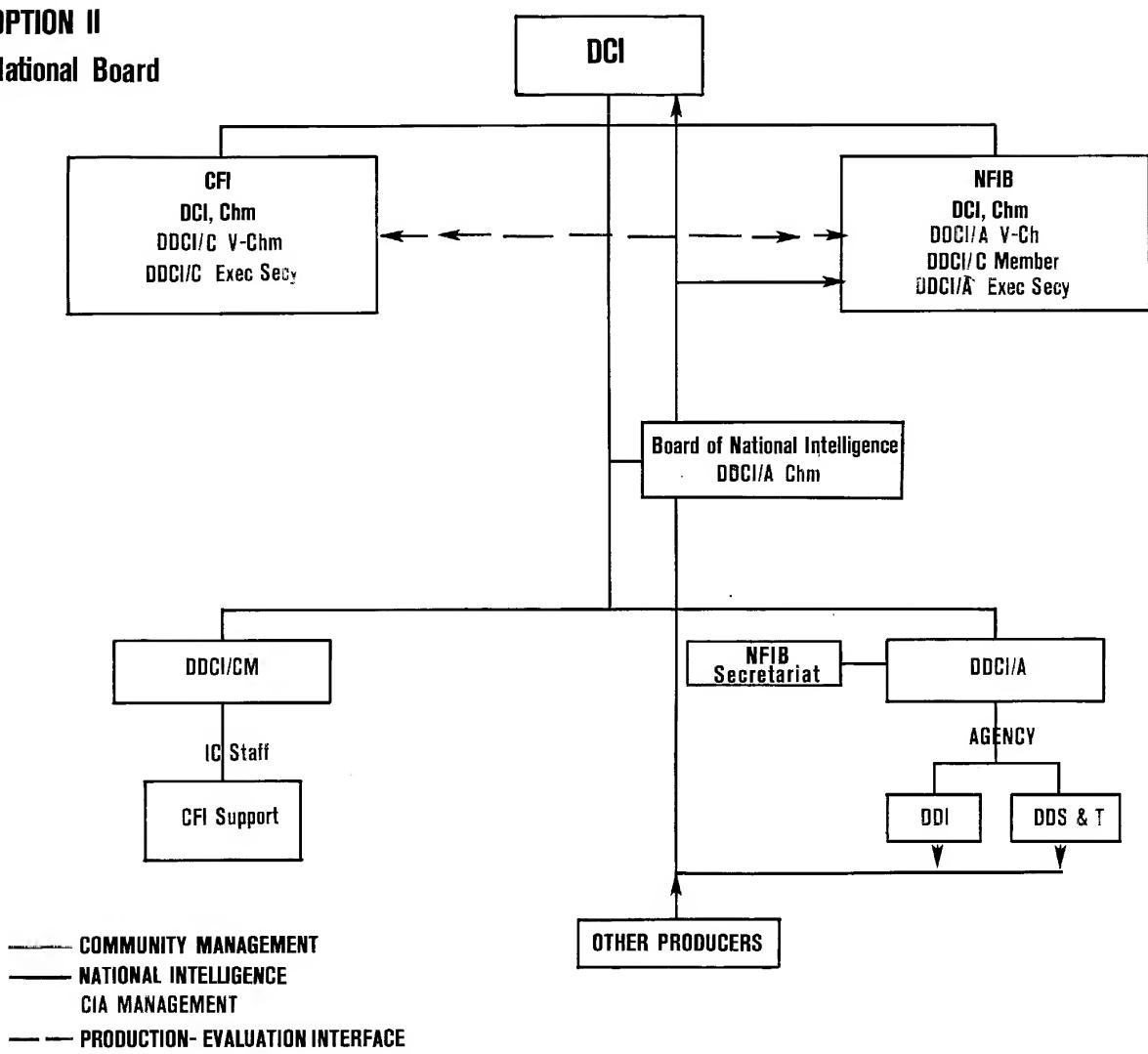
Option II

- Replaces NIOs with a Board of National Intelligence, chaired by the Agency Deputy but reporting independently to the DCI
- Makes Agency Deputy Vice-Chairman and Executive Secretary of NFIB. Community Deputy remains a member
- Transfer NFIB support responsibility to DDCI/A

Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

OPTION II

National Board



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Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9

Option II

PRO's

- Maximum emphasis on national production
- Community Deputy no longer tangled in Agency Deputy's business
- DCI's Community role distinguished from Agency
- DCI has close access to substance
- CIA's primary role better recognized

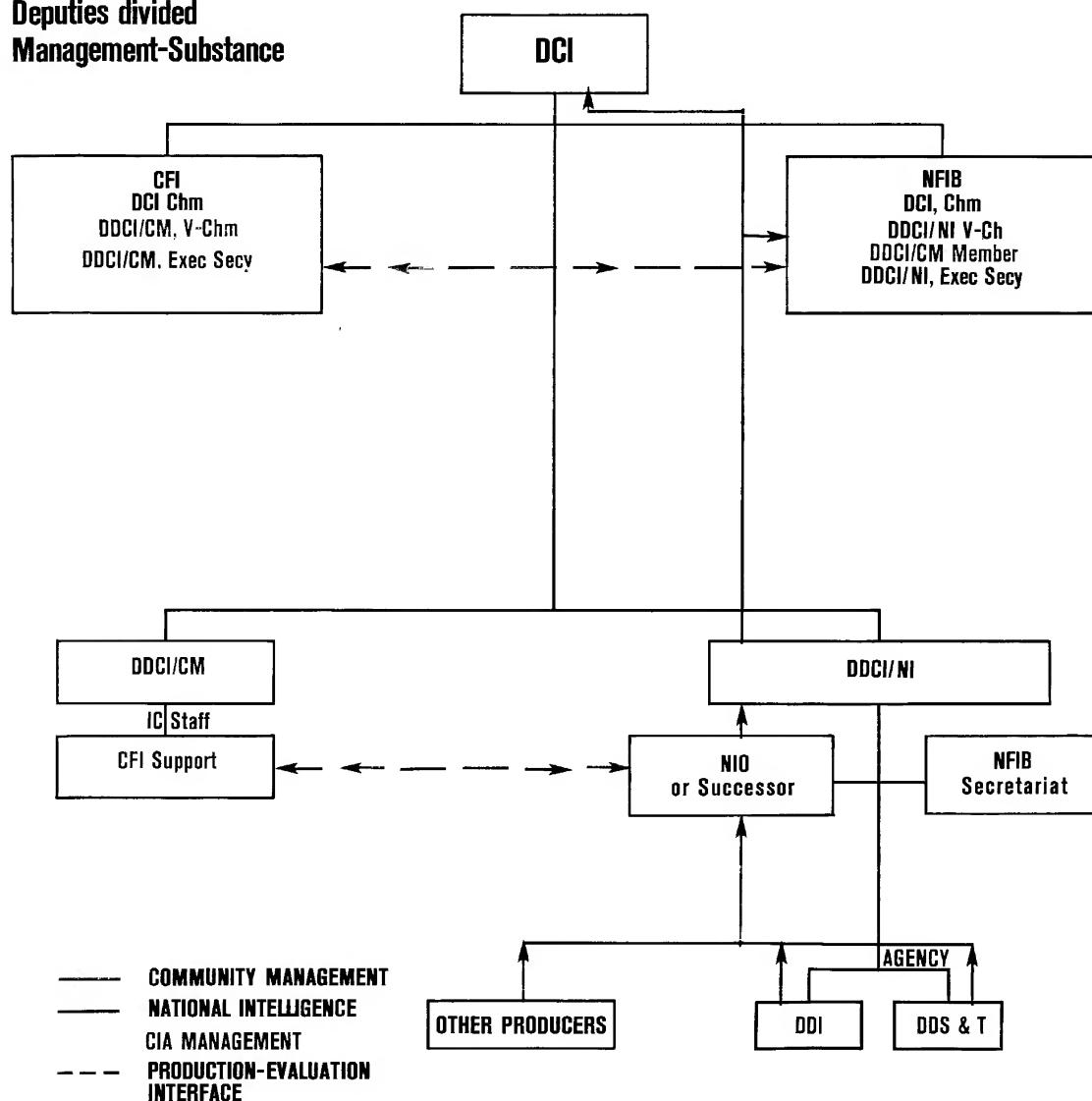
CON's

- Dual role of Agency Deputy administratively awkward
- His association with Board somewhat obscures its ecumenical image
- CIA chain-of-command still affected

Option III

- Agency Deputy becomes Deputy for National Intelligence and is responsible for day-to-day management of Agency
- Divides DCI's responsibilities between his two Deputies on the general basis of resources to one, substance to the other
- Recognizes institutionally DCI's need to be impartial in resource matters and his close link to CIA in substantive matters
- NIO successor organization placed under DDCI/NI
- NFIB arrangements same as in II

OPTION III Approved For Release 2004/05/13 : CIA-RDP91M00696R000500040009-9
Deputies divided
Management-Substance



Option III

PRO's

- National intelligence continues primary
- CIA role recognized
- Balanced responsibilities of deputies and clear separation of their roles
- Makes possible clear chain-of-command for production

CON's

- Not as Community-oriented as other Options
- Can be criticized as "CIA in disguise"
- DCI one step further removed from production
- DDCI/NI will give less attention to Agency management

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II. Decisions

- A. Division of responsibilities between Deputies
- B. Location of national intelligence staff function under DCI
- C. Nature and functions of such a staff
- D. Disposition of USIB (more or less agreed)
- E. Allocation of staff responsibility for DCI functions (partially agreed)
- F. Subordination of IG, OLC, OGC, etc. (partially agreed)
- G. Disposition of USIB Committees

On the Execution of DCI Duty xv

1. Executive Order 11905 includes among the duties of the Director of Central Intelligence:

(xv) Consult with users and producers of intelligence, including the Departments of State, Treasury, and Defense, the military services, the Federal Bureau of Investigation, the Energy Research and Development Administration, and the Council of Economic Advisors, to ensure the timeliness, relevancy and quality of the intelligence product.

2. A related provision [Sec. 3. (a)(3)] of EO 11905 states:

The National Security Council shall conduct a semi-annual review of intelligence policies. . . . These reviews shall consider the needs of users of intelligence and the timeliness and quality of intelligence products The National Security Council shall consult with the Secretary of the Treasury and such other users of intelligence as designated by the President as part of these reviews.

3. These provisions of EO 11905 represent the two factors-- planning and evaluation--which are critical to an effective production function in the Intelligence Community:

a. A mechanism and procedures to determine consumer views on and their future needs for intelligence production.

b. A mechanism and procedures to evaluate the adequacy with which the Community's production meets these needs.

4. There are, of course, any number of ways these functions can be carried out. The proposal put forward in this paper is based on a number of assumptions:

a. That the previous arrangement for determining consumer needs--the NSCIC Working Group--was ineffective. Its membership was drawn from consumer organizations but the members were staff officers with an imperfect understanding of the intelligence process and also not actual consumers of the product. The NSCIC-WG also was not given adequate support by the NSCIC.

b. That a grouping of producers of intelligence would have greater equities in actively seeking out expressions of consumer needs and evaluating the capabilities of the Community to satisfy them. These expressions are a major input to the production manager's determination of his research programs and priorities.

- c. That the Product Review function should not be carried out by the producers of intelligence.
- d. That the assignment of this responsibility to the NSC, rather than the CFI, was deliberate, reflecting an opinion that the CFI should concentrate on Community resource and management questions.

5. Under this proposal two organizational entities would have the primary responsibilities for implementing the consumer-producer interface and product evaluation functions called for in EO 11905:

a. The first organization dedicated to the development of producer-consumer relations as a prerequisite to effective production planning would be an integral part of the organizational arrangements implemented by the DCI for the production of national intelligence.

- (1) it would be composed primarily of intelligence production officers but would also include a representative from the NSC Performance Evaluation Staff (discussed below).
- (2) these officers would be senior representatives from CIA, DIA, and INR.

(3) the level of representation should preferably be among those officials directly charged with production responsibilities, e. g., CIA/DDI; DIA/DD PROD; D/INR.*

b. The second organization would be a small Performance Evaluation Staff attached to the NSC Staff:

(1) this group would perform for the NSC the evaluative functions called for in Sec 3.a. (3) of EO 11905 by assessing how well Community producers respond to consumer needs.

(2) its composition should include some qualified representation from the Intelligence Community and from the principal consumer organizations--State, Defense, JCS, Treasury.

6. The advantages of this proposal are many:

- It requires no expansion of the bureaucratic structure. The Performance Evaluation Staff could be staffed with positions from the IC Product Review Division; the consumer-producer would obtain its staff support from the NIB Secretariat.
- It puts concern with consumer with those officers most involved with this problem and at a level of responsibility where production is not secondary to other concerns.

* Depending upon the DCI's arrangements for national intelligence production, this same group, because it would be so involved in the determination of consumer needs, could serve as the means by which action responsibility for NIEs and other inter-Agency production was assigned to Community members.

- It keeps the product evaluation function independent of the producers of intelligence.
- It enables the supporting staff of the CFI to concentrate its energies on critical resource decisions but does not deprive them of the evaluative input prepared by the NSC Performance Evaluation Staff and necessary to the development of their recommendations on production programs and resources.
- It gives visibility to the DCI's concern with consumer relations and to the development of an effective production evaluation function.

Executive Registry
93-7407

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WASHINGTON, D. C. 20505

4 December 1973

General G.J. Eade
Deputy USCINCEUR
APO New York 09055

Dear General Eade:

As you may know, to assist me in the process of integrating the intelligence community and providing focus to our collective efforts in support of the President and his senior advisors, I am in the process of establishing a panel of National Intelligence Officers -- each of whom, in his geographic or functional area of responsibility, will be my principal staff officer and my personal representative to the intelligence community and to our policy-level consumers of national intelligence. One member of this panel will be the National Intelligence Officer for Conventional Forces, whose responsibilities will encompass (among other things) all questions related to MBFR.

It was my belief that for a variety of reasons, this position ought to be filled by a senior military officer on active duty. Secretary Schlesinger concurred in this view and lent a much appreciated personal hand in ensuring that each service nominated the best candidates available.

The candidates nominated were indeed outstanding. After carefully reviewing all of them jointly with the Director of DIA, I have chosen -- with the concurrence of the Secretary of Defense and the Chairman, [redacted] "

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I would appreciate it very much if we could plan on having [redacted] report for duty on or about 1 February 1974. I would also appreciate it if you could spare [redacted] for a TDY visit in December to assist in the selection of his deputy and in organizing his new office.

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I regret and apologize for the problems and inconvenience that the loss of [redacted] may cause for you and your command. His new duties, however, are ones of great importance and having an officer of his background and ability discharge them will, I hope, be of considerable help to CINCEUR as well as to all of us in Washington.

Sincerely, [redacted]

7s/ W. E. Colby

W.E. Colby